

The Swedish Labour Market 2025



Introduction

This month's seminar will focus on the Swedish labour market in 2025. The discussion will be organised into three thematic sections:

1. The current level of unemployment.
2. The geographical distribution of employment opportunities across Sweden.
3. The sectors and industries with the greatest demand for labour – and the underlying reasons why, despite this demand, mismatches persist between job vacancies and the unemployed.

Before proceeding, it is appropriate to begin with a definition of the labour market from an economic perspective, followed by a brief overview of the historical development of the Swedish labour market.

Defining the labour market from an economic perspective

The labour market constitutes that part of the economy in which the supply of labour (individuals who are able and willing to work) meets the demand for labour (employers' need for workers in the production of goods and services).

It functions as a market similar to that for other goods and services, but in this case the traded commodity is labour.

Key economic dimensions:

- **Supply:** Determined by the size of the labour force and influenced by individuals' skills, education, experience, health, and geographical mobility.
- **Demand:** Determined by the needs of firms and the public sector, which in turn are shaped by productivity, technological development, business cycles, and wage costs.
- **Price of labour:** Wages serve as the equilibrium price between supply and demand.
- **Imbalances:** When the qualifications or location of workers do not align with employers' needs, unemployment, labour shortages, or structural mismatches arise.

Summary:

From an economic perspective, the labour market operates as a distribution

mechanism. It determines who gains employment, at what wage, and within which sectors. It thus affects both individual livelihoods and the growth and competitiveness of the overall economy.

The development of the Swedish labour market



The Swedish labour market has undergone profound transformations from the nineteenth century to the present. During industrialisation in the 1850s, many people migrated from rural areas to urban centres, where factories generated entirely new forms of employment. Around the turn of the twentieth century, the labour movement emerged, laying the foundation for a strong trade union tradition.

The 1938 Saltsjöbaden Agreement marked the beginning of the so-called “Swedish model” – a corporatist system of cooperation between trade unions and employers in which wages and working conditions were regulated through collective agreements. In the 1970s, the labour market was characterised by high levels of

employment and the rapid expansion of the welfare state.

The crisis of the 1990s altered these conditions: unemployment rose sharply and became more persistent, thereby highlighting problems of labour market matching. Since the early 2000s, globalisation and digitalisation have reshaped both job content and skill requirements.

In 2025, the labour market faces new challenges. The green transition and technological development are generating shortages of engineers, technicians, and healthcare personnel, while regional disparities in unemployment are becoming increasingly pronounced.



1. Unemployment in Sweden, 2025



- **National average:** In June 2025, unemployment stood at approximately 6.9%, up from 6.6% in the corresponding month the previous year (Omni Ekonomi, Cision News, *Tidningen Näringslivet*).
- **Earlier developments:** In March, the non-seasonally adjusted figure reached 8.5%, while the seasonally adjusted rate was 8.1% (sv.tradingeconomics.com; placera.se).
- **Projections by the Public Employment Service:** Unemployment is expected to stabilise during 2025 and to gradually decline in 2026 (Omni Ekonomi). A prior forecast suggested a decline towards approximately 6.6% during 2025 (Aftonbladet).

2. Regional disparities in unemployment

- **General trend:** Between Q2 2024 and Q2 2025, the number of registered unemployed increased from roughly 344,000 to 363,000 persons, and unemployment rose from 6.6% to 6.9% (Cision News).
- **Counties with the highest unemployment:** Skåne (9.0%), Västmanland (8.6%), Södermanland (8.5%) (Cision News).
- **Counties with the lowest unemployment:** Norrbotten (3.8%), Gotland (3.9%), Jämtland (4.4%) (Cision News).

Municipal level – significant variation:

- Lowest rates: Gällivare (2.4%), Kiruna (2.6%), Öckerö (2.7%).
- Highest rates: Perstorp (13.2%), Malmö (12.3%), Landskrona (11.3%) (Cision News).

Causes and forecasts:

- Västerbotten was severely affected by bankruptcies and cutbacks in battery production (Cision News).
- Projections suggest that northern Sweden – particularly Norrbotten and Västerbotten – will continue to exhibit low unemployment due to large-scale industrial investments, whereas metropolitan areas and

southern Sweden may experience further increases (Aftonbladet).

3. Sectoral shortages – and opportunities – in the labour market



a) Documented labour shortages

According to Statistics Sweden (SCB), a total of 70,000 workers were lacking across various occupations in Q3 2024. The largest shortages were in:

- IT architects, system developers, test managers (~4,700).
 - Assistant nurses (3,500).
 - Teachers and preschool teachers (3,000).
- Other notable shortages included engineers, technicians, nurses, electricians, and mechanics (SCB).

b) Sectors with acute recruitment challenges

- The Confederation of Swedish Enterprise reports that 7 out of 10 firms face recruitment difficulties, with pronounced shortages in construction,

manufacturing, and transport (*Tidningen Näringslivet*).

- Specific shortage occupations include electricians, computer scientists, chefs, car mechanics, and special education teachers (Aftonbladet).
- At the same time, paradoxical situations exist in which labour is available (e.g., cleaners, waiters), but matching fails – meaning the supply of skills does not correspond to labour market demand (Aftonbladet).

c) Industry-related shortage occupations

In the construction and infrastructure sector, shortages are observed in:

- Approximately 700 construction machinery operators.
- Approximately 1,500 road and construction workers.
- Additional shortages include project managers, truck drivers, and site managers (me.se).

d) Acute shortages within industry

Employers in the industrial sector identify a number of technical occupations as being in particularly high demand, including CNC operators, production technicians, automation technicians, and industrial electricians. Vocational education in these fields frequently leads directly to employment